



June 22, 2005

Mr. Mark Friedrichs
PI-40
Office of Policy and International Affairs
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, D.C. 20585

Re: Comments on the Department of Energy's Guidelines for Voluntary Greenhouse Gas Reporting – RIN Number 1901-AB11

Dear Mr. Friedrichs:

Anadarko Petroleum Corporation (Anadarko) is pleased to offer the following comments on the United States Department of Energy's (DOE) Interim Final Rule and General Guidelines and Draft Technical Guidelines as noticed in the Federal Register. 70 Fed. Reg. 15169 (March 24, 2005).

Anadarko is one of the largest independent oil and gas exploration and production corporations with interests both here in the United States and Internationally. Anadarko appreciates the substantial effort the DOE has expended in drafting the General Guidelines and Draft Technical Guidelines (Guidelines). We believe both documents will provide a means to document and report reductions in greenhouse gases, and Anadarko is generally supportive of the documents; however, we have some concerns regarding the documents and offer the following for DOE's consideration as it finalizes these documents.

As an initial matter, Anadarko is concerned with DOE's decision to include the Guidelines in the Code of Federal Regulations (CFR). In the March 24th Federal Register notice, DOE asserts that it continues to believe "it is both lawful and desirable that the revised General Guidelines be include in the *Code of Federal Regulations*." 70 Fed. Reg. 15169, 15176. Anadarko disagrees that it is desirable to place the Guidelines in the Federal Register particularly if the sole reason for doing so is to provide greater accessibility. Section 1605(b) of the Energy Policy Act of 1992 authorized DOE to "issue guidelines for the *voluntary* collection and reporting of information on sources of greenhouse gases." 42 U.S.C. § 13385(b) (emphasis added). By placing the Guidelines in the CFR, DOE creates confusion regarding the nature (mandatory versus voluntary) of the Guidelines especially given DOE's statement that placement of the Guidelines in the CFR does not "affect the rights of reporting entities because codification of rule documents does not affect their nature as substantive or procedural or legally-binding or non-binding." 70 Fed. Reg. 15169, 15177.

To remedy this potential confusion, Anadarko suggests that DOE consider either not placing the Guidelines in the CFR or including a statement in Section 300.1 clearly stating that the Guidelines are only applicable to those entities that chose to participate in the program and do not impose any substantive reporting requirements on any other entities.

Anadarko is also concerned about the quality rating system incorporated into the Guidelines. Specifically in the oil and gas exploration and production industry, use of emission factors that are available through government (AP-42) or industry (API Compendium) approved methodologies multiplied by a measured activity is the most accurate measurement available. Installation of continuous emissions monitors (CEM) or other direct measurements regularly repeated are both economically impracticable and technologically unavailable. Anadarko requests clarification that use of emission factors and approved methodologies such as AP-42 and the API Compendium are assigned appropriate ratings that will enable registration of GHG emissions inventory and reductions.

Anadarko has developed a greenhouse gas emission reduction protocol for enhanced oil recovery (EOR) projects for geological sequestration which is being utilized for several EOR operations. Further, Anadarko and industry groups have and continue to develop techniques and standards to monitor CO₂ in the geologic formation and to detect seepage. Anadarko welcomes DOE to review Anadarko's protocol, and participate in the continued development of industry group techniques and standards so they may be included in these Guidelines.

Anadarko fully endorses the comments of the American Petroleum Institute (API) and urges DOE to carefully consider API's comments as it finalizes the Guidelines.

If you have any questions, please do not hesitate to contact me at (832) 636-2656 or e-mail at bill_grygar@anadarko.com.

Sincerely,

ANADARKO PETROELUM CORPORATION

William W. (Bill) Grygar II
Air Quality Manager